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FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 15, 1952

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DEPARTMENT OF JUSTICE

Attorney General J. Howard McGrath announced the entry today in the Federal District Court at Chicago, Illinois, of an antitrust consent judgment against two Chicago corporations and two individuals, covering restraints in the manufacture and sale of artificial eyes.

The defendants are Mager & Gougelman, Inc., Chicago, Illinois; Paul Gougelman Company, also of Chicago; Paul Gougelman, Jr., president and director of both companies; and Stanley W. Rybak, vice president and general manager of Paul Gougelman Company and an employee of Mager & Gougelman, Inc.

The complaint, upon which the judgment is based, was filed on June 23, 1949 and charged that the defendants combined to prevent the manufacture and sale of a newly-developed plastic artificial eye by threatening competitors with patent infringement suits and by falsely claiming patent rights which they did not have. It also charged the defendants with entering into license agreements with others which fixed prices, restricted sales to specified territories, and prohibited the manufacture of another type of artificial eye. In addition, the complaint charged that the defendants operated joint sales offices with a competitor in Washington, D. C., Philadelphia, Pa., and Boston, Mass.

The judgment entered today cancels the restrictive licenses; requires Mager & Gougelman to grant royalty-free licenses under a certain patent; and enjoins the defendants from acquiring any rights under certain other patents unless they receive and exercise the right to sublicense those patents upon reasonable terms and conditions. The judgment also requires the defendants to dispose of their interests in the joint sales offices and to dispose of any shares of stock or other financial interest now held by

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(OVER)

them in Mager & Gougelman, Inc., a Delaware corporation, and in Mager & Gougelman, Inc., a New York corporation.

In addition, the judgment enjoins the defendants from entering into any agreement with any other manufacturer or seller to fix prices, to divide territories or markets, to exclude any other person from any market, or to establish and operate jointly any office for the sale of artificial eyes.

H. G. Morison, Assistant Attorney General in charge of the Antitrust Division, in commenting upon the entry of the judgment, stated:

"The importance of eliminating illegal restraints in products required by the physically handicapped and which are essential to public health is clear. Reasonable prices for these essential items and the advancement of technical development of these products can not be attained unless manufacturing and distribution are competitive and free of illegal restraints. The judgment entered today represents a forward step in these fields."

The judgment was prepared by Edwin H. Pewett, Assistant Chief of the Judgments & Judgment Enforcement Section, and Charles F. B. McAleer, of that Section. The Government's case was prepared by Raymond D. Hunter and Joseph A. Prindaville, Trial Attorneys, under the supervision of Willis L. Hotchkiss, Chief of the Chicago Office of the Antitrust Division.